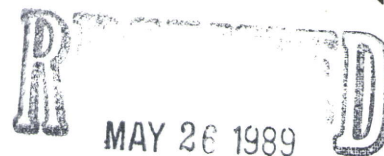


BEAVER CREEK Coal Company

Post Office Box 1378
Price, Utah 84501
Telephone 801 637-5050



May 25, 1989



OIL, GAS & MINING

Pamela Grumbaugh-Littig
Reclamation Engineer
Utah Division of Oil, Gas, and Mining
355 West Temple
3 Triad Center - Suite 350
Salt Lake City, Utah 84180-1203

RE: Notice of Intention to Explore (less than 250 tons),
Trail Mountain Exploration License (UTU-64233), Trail
Mountain No. 9 Mine, Beaver Creek Coal Co., Emery County,
Utah.

Dear Pamela,

Beaver Creek Coal Company hereby files with the Utah Division of Oil, Gas, and Mining a Notice of Intention to Explore for Less Than 250 Tons, for its Trail Mountain Exploration License, approved by the Bureau of Land Management Utah State Office on August 18, 1988. This Exploration License gives Beaver Creek permission to drill coal exploration drillholes on unleased Federal coal reserves to the south and west of the Trail Mountain No. 9 Mine. All surface lands involved in this License area are controlled by the U.S. Forest Service.

This document was not filed as required before drilling activities began last summer, because I believed, in error, that the Bureau of Land Management State Office had complete jurisdiction over Exploration License activities, and would take the lead role in notifying and advising the Division about the review, approval, and oversight of this License. No snub or bypass of State authority was intended.

Enclosed with this letter are a copy of the actual Notice of Intention to Explore, and a copy of the approved Exploration License itself, with approval letter. These documents should answer any questions you have about our exploration activities in the Trail Mountain Area. If I can be of further help in this matter, please call me at 637-5050, ex. 49.

Sincerely,

Kenneth S. Fleck
Kenneth S. Fleck
Geologist

K.S. Fleck
May 25, 1989
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Beaver Creek Coal Company
P.O. Box 1378
Price, Utah 84501

cc: J.L. Coffey
D.W. Guy

Enclosures

NOTICE OF INTENTION TO EXPLORE

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